

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery

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Purpose

To establish department responsibilities to:

1. Recover full cost, to the extent legally possible for services provided to agencies or individuals outside the County of San Diego organization under grants, contracts, or for which fees may be charged. Exceptions require specific Board approval for the mitigated costs.
2. Inform the Board of Supervisors of the proposed services, their full costs and anticipated revenues, and the reasons for any difference between full cost and anticipated revenue.

Background

The County exercises discretion in providing services reimbursed by grants, contracts and fees. The department which performs a service reimbursed through a fee, grant or contract is responsible for all the procedures outlined in this policy. Section 801 of the County Charter states that the Auditor and Controller has the responsibility and duty to exercise supervision over the accounts of all County officers charged with receipt, collection or disbursement of public funds; to prescribe the method of installing, keeping and rendering accounts of the several County officers, and to devise adequate systems of internal control of all departments and officers of the County relative to the custody, collecting or disbursement of public funds. The Auditor and Controller is responsible for reviewing fees, to assure that sufficient data is available, complete and accurate to support the calculation of all costs that have been used to develop fees.

Policy

It is the policy of the Board of Supervisors that:

1. Departments will seek to recover the full cost of all services they provide to agencies or individuals outside the County of San Diego organization. Reimbursement by fees, contracts and grants will be for the full cost of all services, with the exception of costs that are disallowed by statute or by regulations of State and/or Federal governments (e.g., Budget Circular A-87), or unless the Board of Supervisors formally determines to waive all or a portion of such costs.

1.a. In the case of the County providing contract services to cities pursuant to Government Code 51350, the County will recover all those costs incurred in providing the services so contracted or authorized. Such costs which are attributable

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to services made available to all portions of the County (where the Board determines by resolution that such services are made available to all portions of the County), shall not be charged to cities as direct or indirect overhead charges. Costs of general County overhead, as defined in the Federal Budget Circular A-87, will not be charged to cities.

2. Board of Supervisors approval is required for initiation or revision of fees and charges (except for fees whose amounts are fixed by statute with no Board discretion as to amount), initiation and renewal of revenue contracts, and requests for and acceptances of grants.

2.a. Administrative Code Section 123 authorizes the Chief Administrative Officer (CAO) to approve the initiation and renewal of revenue contracts and acceptance of grants which (1) are under \$10,000, (2) do not require the appropriation of unbudgeted amounts as specified in Government Code Sections 29130 and 29130.5 (including unanticipated or over realized revenue and any available appropriation balances), and (3) do not specifically require Board approval as a condition of the contract or grant. All requests for grants, regardless of amount, require Board approval. On direction from the CAO, the Clerk of the Board shall execute these types of revenue contracts and accept these types of grants on the Board's behalf.

3. Full cost is the total cost of County services, including a proportionate share of all County overheads (Board of Supervisors offices, CAO, etc.). Full cost is defined as a combination of the A-87 Countywide Cost Allocation Plan plus the unallowable portion of A-87 allocated costs as determined by the Auditor and Controller.

4. The CAO shall review all proposed new or changed fee schedules. This review will be from an overall policy perspective and will not duplicate or replace the Auditor and Controller fee review as stated in Board Policy B-30.

Procedure

The department providing a service shall:

1. Write a Board letter (or CAO letter for revenue contracts or grants covered by Section 2a of this Policy) requesting approval of the fees, grant, or contract. The letter will include:

A discussion of possible alternatives, and of the implications of Board or CAO approval or denial of the recommendation.

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A fiscal impact statement which includes the full cost of the service (not adjusted for disallowed costs such as those in Budget Circular A-87), the estimated reimbursement, and the net County cost. (See Administrative Manual for further discussion of Fiscal Impact Statement.)

A justification for less than full cost recovery, if less than full cost recovery is recommended.

The level of services to be provided.

1. a. In the case of contract services to cities, if the Board has adopted a resolution determining that such services are made available to all portions of the County, set forth in detail any overhead costs not to be recovered that are related to such services provided to all portions of the County.

1. b. In the area of public liability exposure and cost recovery, the County Counsel and the Auditor and Controller shall be consulted to assist the department in assessing the additional exposure and costs to be recovered for public liability. The County and the public agency may cover the cost of additional exposure through appropriate insurance coverage, hold harmless agreements or contributions to self-insurance coverage, hold harmless agreements or contributions to self-insurance programs as agreed upon in the agreement. (Reference - Board of Supervisors Policy B-28, Limitation of Liability on Service Agreements)

2. For grants and contracts, complete a Contract Fiscal Certification Form in accordance with the procedures of the Auditor and Controller. This applies to all grants and contracts, even if no money is involved.

3. Submit the Board or CAO letter, including the Fiscal Impact Statement, Contract Fiscal Certification Form, and sufficient documentation to support the calculation of all costs, including overhead, to:

CAO, (Grants, Revenue Contracts and Fees) - at least one week prior to docketing; or, in the case of a CAO letter, two weeks prior to the date CAO final approval is needed.

Auditor and Controller (a) (Fees) - at least two weeks prior to docketing. (b) (Grants and Revenue Contracts) - file with the Auditor a copy of the material filed with the CAO at least one week prior to docketing or, in the case of a CAO letter, two weeks prior to the date CAO final approval is needed.

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When appropriate, Board or CAO letters related to services reimbursed through fees, contracts and grants must also be submitted to the appropriate Advisory Board.

4. Pursue the prompt collection of all revenues. Fees should be paid in full in advance. When possible, provisions should be made in grants and contracts for advance or concurrent payments.

5. Claim, collect and report revenue within the guidelines established by law and the revenue management policies set by the Board, and in accordance with the standards and procedures established by the Auditor and Controller.

Fees

With regard to fees, the department shall:

1. Establish all fees, and subsequent changes to fees, by ordinance. There is a minimum 30 days waiting period between adoption of a fee or fee increase, and its effective date. During this time, the Clerk of the Board will issue the appropriate public notice pursuant to Government Code Section 54994.1 et. seq.

2. Provide for fees to be deposited or paid in advance. Delivery or completion of service, if applicable, is not to be made unless full payment has been deposited. Penalty provisions are to be established for delinquent payments of regulatory type licenses or permits.

3. Maintain a documented record of all fees established and collected by each department including a brief description of each type of fee, authority establishing the fee, revenue account code, related program activity number, amount of fee, date of last revision and other data as required by the Auditor and Controller.

4. Review all fee schedules annually, or more frequently if warranted, and make recommendations to the Board for changes to recover full cost.

Grants

1. The Department shall docket grant funding requests so that the Board of Supervisors may act upon the request at least fifteen (15) days in advance of the date on which the grant request must be received by the granting agency.

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2. Grant funding requests originated by the public and filed with the Board shall be referred, along with any Board directions or comments, to the CAO for review and recommendations.

Revenue Contracts

1. Service cannot begin until the Board or CAO and the contracting agency have approved the contract.
2. The Department shall docket contracts with the Board of Supervisors or file with the CAO at least 60 days prior to the effective date of the contract.
3. Prior to performing election services for agencies or entities outside the County of San Diego organization, except for services as are mandated by law to be performed by the Registrar of Voters, the Registrar shall notify the requesting agency or entity that the estimated costs of such services must be deposited in the County Treasury, and the Registrar shall not perform the requested services unless and until such deposit has been made. Such deposit shall be maintained in a special fund account, and the excess, if any, of the amount of the deposit over and above the cost of providing the election services shall be refunded to the requesting agency or entity after all election services for which the deposit was made have been completed. If the requesting agency or entity has not made this deposit of estimated costs prior to the date upon which the Registrar must commence action to conduct the requested election in an orderly manner, the Registrar shall report the matter to the Board of Supervisors.

Sunset Date

This policy will be reviewed for continuance by 12-31-01.

Previous Board Action

10-11-77 (8)
10-7-80 (5)
5-12-81 (88)
8-3-82 (26)
5-8-84 (7)
5-3-88 (52)
4-25-89 (34)
7-23-96 (11)

CAO Reference

1. Auditor and Controller